

The concept of Global City. Case Study of London

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Global cities –approach of scientists



Saskia Sassen is a Dutch sociologist who works at LSE and Columbia University.

She wrote her seminal work on the new phenomenon of the « global city » in 1992.

As she looked at the changing world and world economic system at the end of the 1980s, she saw multiple flows all around the globe: flows of capital, goods, services, information, people ... She realised that at some point, somewhere in the world, all these flows had to come together in a physical environment. As she looked at the map of the world she noticed that these places were all cities which shared common features ... cities she would call « global cities » and which play an essential role in the new globalised economic system.





New York

London

Paris

Singapur

Tokio

The Global City Index criteria (A.T. Kearney) – business approach

The GCI criteria for a Global City:

- **Business Activity:** Headquarters of major MNCs; capital markets; flow of goods through ports and airports; international conferences
- **Information Exchange:** access to major news channels; access to internet; international news bureaus;
- **Political Engagement:** number of embassies; seat of national government; political conferences; international organizations
- **Human Capital:** attraction for talent-based workers; number of foreign born population; quality universities; international students and schools; number of residents with university degrees
- **Cultural Experience:** sporting events; museums; theatres; restaurants; tourists

The Global City Index, 2019- 2024 (A.T. Kearney)

Top 30 cities in the Global Cities Index



City	2024 rank	2023 rank	2022 rank	2021 rank	2020 rank	2019 rank	Δ 2023-2024
New York	1	1	1	1	1	1	0
London	2	2	2	2	2	2	0
Paris	3	3	3	3	3	3	0
Tokyo	4	4	4	4	4	4	0
Singapore	5	7	9	9	9	6	+2
Beijing	6	5	5	6	5	9	-1
Los Angeles	7	8	6	5	7	7	+1
Shanghai	8	13	16	10	12	19	+5
Hong Kong	9	10	10	7	6	5	+1
Chicago	10	11	7	8	8	8	+1
Seoul	11	14	13	17	17	13	+3
Toronto	12	15	18	20	19	17	+3
Madrid	13	12	19	19	16	15	-1
San Francisco	14	17	15	11	13	22	+3
Washington, D.C.	15	19	12	14	10	10	+4
Brussels	16	6	11	16	14	12	-10
Melbourne	17	9	8	12	18	16	-8
Sydney	18	18	17	15	11	11	0
Istanbul	19	25	28	27	34	26	+6
Berlin	20	16	14	13	15	14	-4
Amsterdam	21	20	23	22	23	20	-1
Barcelona	22	24	26	28	26	23	+2

Leading cities across Global Cities Index metrics in 2024



Global City Index leaders by dimensions

Business activity
New York

Human capital
New York

Information exchange
New York*

Cultural experience
London

Political engagement
Washington, D.C.*

Global Cities Index leaders by metric

- Fortune 500
Beijing
- Top global services firms
London
- Capital markets
New York
- Air freight
Hong Kong
- Sea freight
Shanghai
- ICCA conferences
Paris*
- Unicorn companies
San Francisco

- Foreign-born population
New York
- Top universities
Boston
- Population with tertiary degree
Tokyo
- International student population
London*
- Number of international schools
Hong Kong*
- Medical universities
London
- Ease of entry
Dubai, Abu Dhabi*

- News agency bureaus
New York
- Broadband subscribers
Zurich*
- Freedom of expression
Oslo
- Online presence
Singapore
- Internet speed
Abu Dhabi*
- Data center presence
New York*

- Museums
Moscow
- Visual and performing arts
New York
- Sporting events
London
- International travelers
London
- Culinary offerings
Tokyo
- Sister cities
Saint Petersburg

- Embassies and consulates
Brussels
- Think tanks
Washington, D.C.
- International organizations
Geneva
- Political conferences
Brussels
- Local institutions with global reach
Paris

London – the most
global city in
Europe



What makes London the Global City?

Leading cities across Global Cities Index metrics in 2024



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New York

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London

The business capital of Europe



London. Finance and business activity

- Leading financial market (Stock exchange) – 40% of the worlds foreign equities (shares/stocks) are traded here



London. Finance and business activity

- Major market in currency exchange – 30% of the world share (more than Tokyo and New York combined)
- The biggest international trade center – 80% of business in the city is international
- 33% of european companies in the Global Fortune 500 index are located in London
- Over 300 000 people work in „The City”
- Londons economy is responsible for the 20% of the UK’s GDP



Canary Wharf – new financial centre of London built in old dockland
It hosts 36 of the world's major banks

over 100 000 people works here

HSBC - Hongkong and Shanghai Banking Corporation

- Headquarters in London
- British multinational banking and financial company
- Founded to trade in Asia
- Shares in HSBC are hold in 126 countries
- The second biggest bank in the world



HSBC Hongkong and Shanghai Banking Corporation. The most important daughter companies

- The Hongkong and Shanghai Banking Corporation Limited
- Hang Seng Bank Limited
- HSBC Bank plc
- CCF S.A.
- Household International, Inc.
- HSBC Bank USA
- HSBC Bank Brasil S.A.- Banco Múltiplo
- HSBC Private Banking Holdings (Suisse) S.A.
- Grupo Financiero HSBC, S.A. de C.V.
- HSBC Gyerzeller Bank AG
- HSBC Trinkaus & Burkhardt KGaA

HSBC as a global bank



- International network covers markets in Europe, Asia-Pacific, Middle-East and North Africa, North and Latin America
- 6200 offices in 74 countries and territories
- 52 milion consumers in the world
- Breakdown of the HSBC would be very risky for the international financial markets

What happened
after Brexit?



London. Finance and Business Activity

BREXIT (2020)

- Led some companies to leave the capital and set up offices in EU
- It is estimated that over 140 companies have left the country and London has lost 7400 finance jobs to Paris and Frankfurt.

London. Finance and Business Activity

Travel hub. Effects of Brexit

Heathrow data shows capacity crisis costing thousands

Tens of thousands of passengers are kept circling over London due to overcrowding at the world's busiest airport, according to...

By Josie Ensor
28 June 2011 · 6:00am



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2 minute read · September 28, 2022 12:04 PM GMT+2 · Last Updated 25 days ago

Eurostar London terminal capacity down 30% after Brexit, says CEO

Reuters



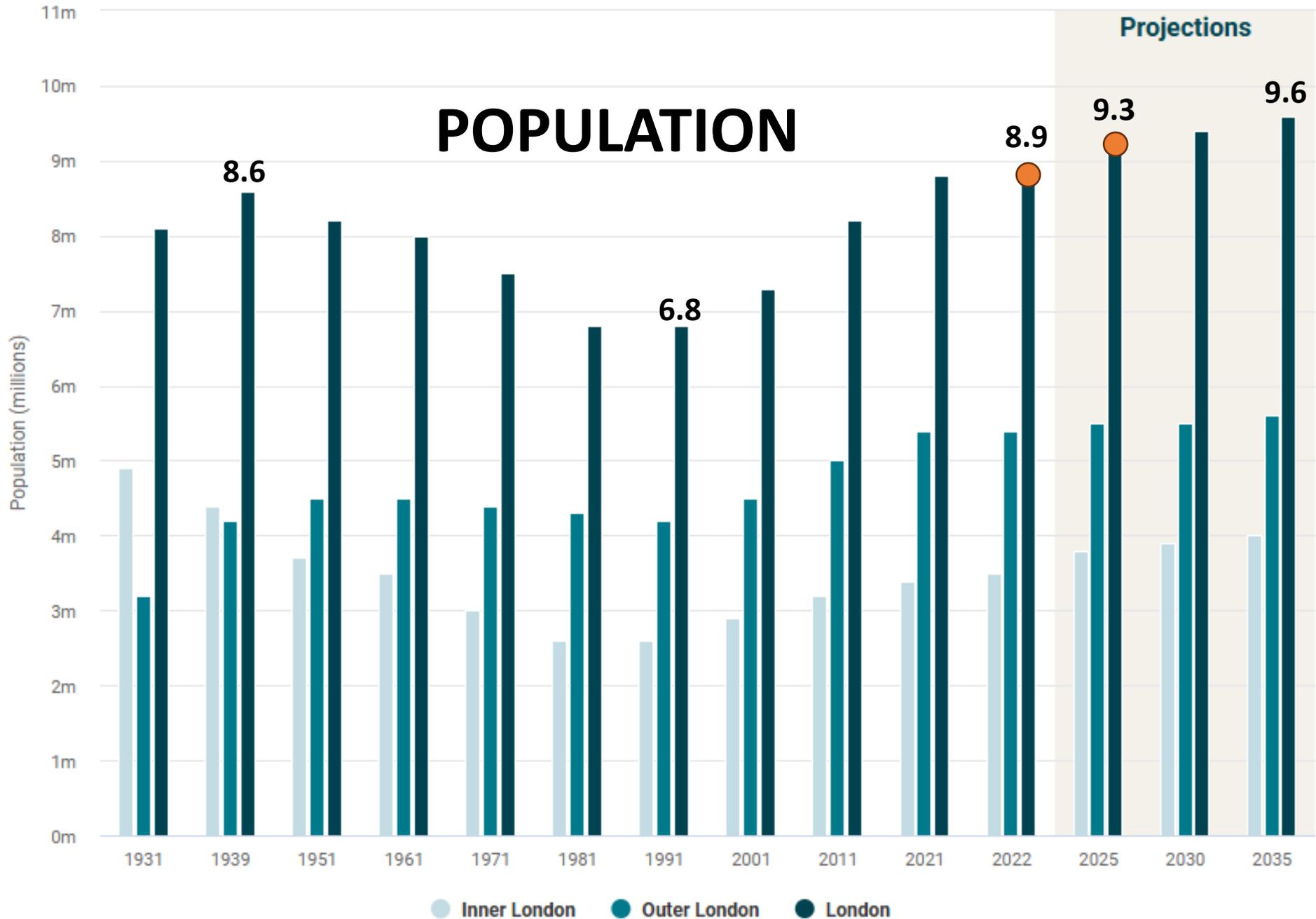
Londons area



London Commuting zone (dark blue)



POPULATION



Source:
*London's
population
over time
(1931-2035)*
powered by
Trust of
London

Cultural diversity.
Migrants destination:
over 300 languages
14 religions



London ethnic diversity, 2024

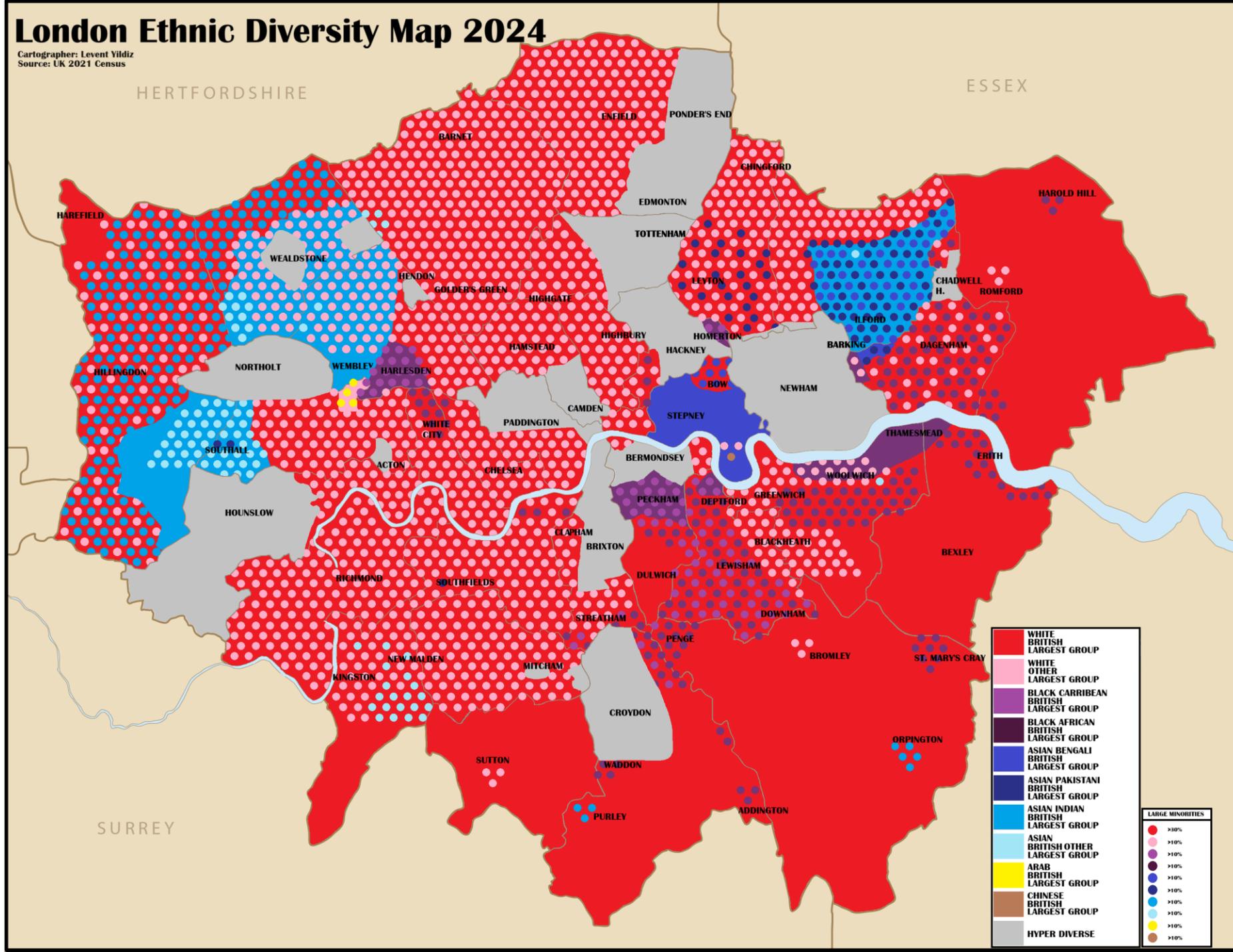
46% of Londoners are **Black and Ethnic Minority**, compared to 14% of England as a whole.

41% of Londoners were **born outside of the UK**, compared to 13% of people in the rest of England.

Source: ons.gov.uk/census

London Ethnic Diversity Map 2024

Cartographer: Levent Yildiz
Source: UK 2021 Census



London. Human capital and information exchange



- Centre for science, technology and design
- 42 Higher Education Institutes: London School of Economics, Imperial College, University College London
- Students population – over 400 000 people
- 60% of London inhabitants has a University degree
- Wages are 22% higher than in UK generally
- Higher salaries – higher housing prices – second most expensive city in the world in terms of property prices

East London Tech City (Tech City, Silicon Roundabout)

- technology cluster of high-tech companies
- developed since 2008
- The area had historically been relatively poor compared to the City of London, and was known as the 'City Fringe'.
- The 2008–09 recession further suppressed rents through the closure of numerous firms, making it affordable to technology start-ups, while redundancies from financial services companies, such as investment banks, released a local pool of experienced talent interested in entrepreneurship
- From 2010, as the cluster developed, both local and national government supported its growth,
- the goal: creating a cluster comparable to Silicon Valley in the USA
- [How London's Silicon Roundabout dream turned into a nightmare | WIRED UK](#) (article from 2020)
- [The problems of London Silicon Roundabout | by Ola Onikoyi | Medium](#)



Home of major news services – CNN and BBC Discussion

What's the role of news services? What was it in the past (e.g. 20 years ago)

Salman Rushdie lost sight in one eye, agent says

🕒 1h | US & Canada

Red Bull co-owner Mateschitz dies aged 78

🕒 18h | BBC Sport

Hurricane Roslyn batters Mexico's Pacific coast

🕒 4h | Latin America & Caribb...

Indian rocket launches 36 OneWeb satellites

🕒 19h | Science & Environment

Why more Australians are giving up their pets

🕒 18h | Business

[UK economic outlook lowered to negative – Moody's](#)

🕒 1d | Business

Huge rally in Berlin in support of Iran protests

🕒 13h | Europe



UK political chaos



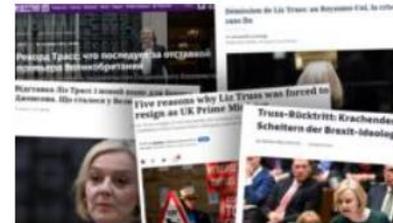
The rise and fall of Liz Truss



Could Boris Johnson really make a comeback?



Who would want to be UK PM now anyway?



What's happened to Britain, global media ask



Home of major news services – CNN and BBC

- Influencing what people know, what people think
- Influencing national and global policy

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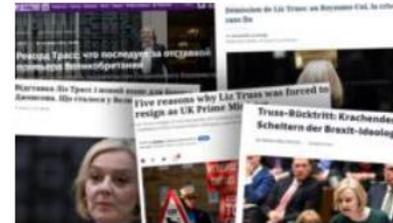
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What's happened to Britain, global media ask



London. Concentration of political power

- Capital of England and UK
- Centre of a Commonwealth (a group of 53 former colonies and territories)
- Political institutions,
- embassies of 168 countries



London. Cultural experience

- High Culture: the National Gallery, The Natural History Museum,



London. Cultural experience

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London. Cultural experience

Does the system of monarchy change the significance of a city?



London. Cultural experience

Tourism: The House of Parliament (Big Ben), Buckingham Palace, The London Eye



London. Cultural experience

Sports: Wembley Stadium, London Stadium, Wimbledon, The Olympic Games 2012



London. Cultural experience

Entertainment: Royal Opera House, the West End Musicals



Is it worth organising events such as Olympic Games?



The London Olympic Games 2012

- Hosting the Olympic Games is costly
- why cities want so much to be chosen?

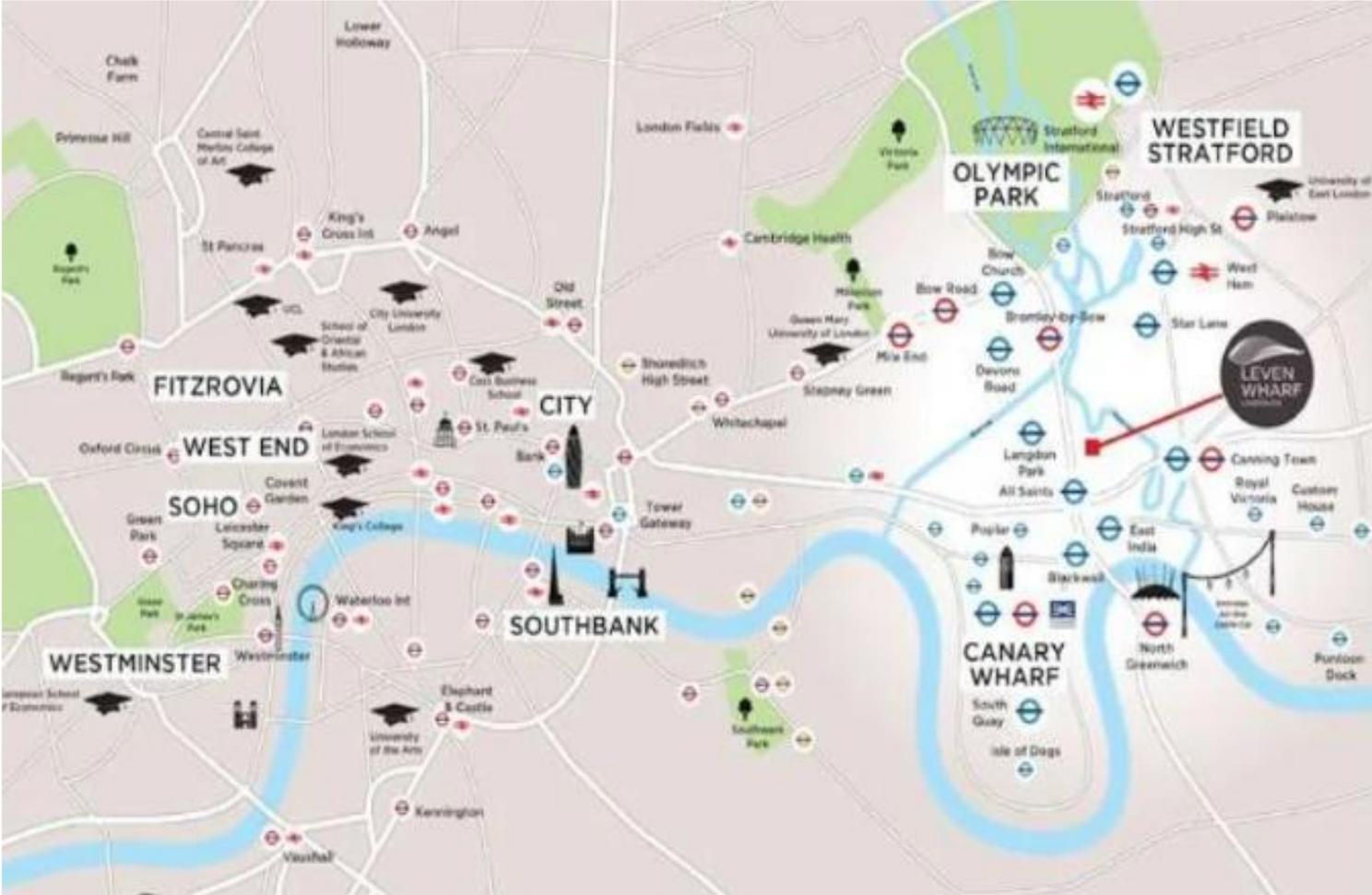
The London Olympic Games 2012

- it shows the city's economic and cultural meaning on the world stage .
- In 2004, when London was chosen for the 2012 Olympic Games, the defeated Paris delegation was extremely upset.
- Four years later as the subprime economic crisis began to effect the rest of the world, mayor of Paris, expressed relief at not having to host the games given the cost.
- The final cost of hosting the Games in London is estimated at \$10.4 billion
- The Games were a success both as a sporting event and as an attempt to profit from new infrastructure once the Olympic flame had gone out.

The London Olympic Games 2012

- The Games were set in an old working-class **post- industrial part of the city** in the east – Stratford
- The Games allowed the city to renovate or regenerate an old part of the city at a time when space was getting rare in the west.
- It also created the context to extend rail and tube links to the east of the city.
- Stratford is now a fashionable place to be, linked to the rest of the city by public transport ... and only a stone's throw from London's second financial platform, Canary Wharf.

The London Olympic Games 2012



Regeneration Games

Park featuring eight of the venues for London 2012 covers a 2.5-square-kilometre piece of former industrial wasteland

By **DAVID BURN**
By HUGH A. SANDREE
Olympic correspondent
and ALYDIA GIBSON
Senior Reporter

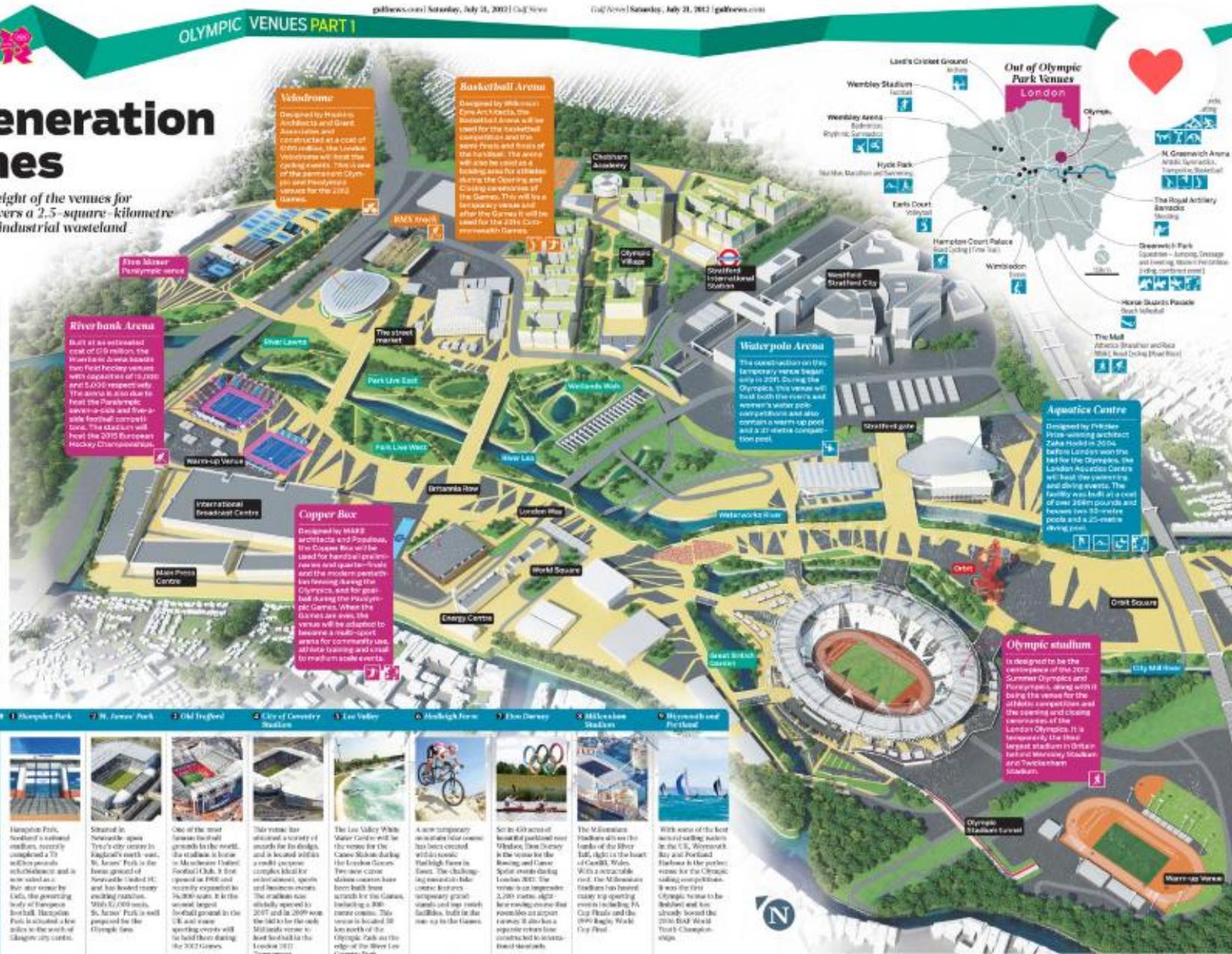
The Olympic Park is home to eight of the venues that will be used during the course of the London Games. The site was a 2.5-square-kilometre piece of industrial land on the east of the city before the regeneration began. The Games have acted as a catalyst for transforming the area, which organisers hope will be one of the leading regeneration of the 2012 sporting arena.

Adjacent to the Stratford City development and covering parts of Stratford, Bow, Leyton and Hoxton, the park contains the stadium, village and arenas including the iconic Olympic Stadium, Aquatics Centre, Basketball Arena, Copper Box for the basketball and tennis, the Riverbank Arena for the hockey competition and the Aquatics Centre. The park also contains a 100,000-seat stadium and a 100,000-seat arena.

Public art
The park is enveloped by the ArcelorMittal Orbit, an observation tower and Britain's largest piece of public art developed by Anish Kapoor and Cecil Balaban.

After the Games, it will become known as the Queen Elizabeth Olympic Park as it commemorates the diamond jubilee of the British crown. But it will not be an official royal park of London.

The Canal Street, Britain's largest canal, runs through the park for the past 150 years, which has previously been used by the popular television soap opera *EastEnders* for the fictional setting of Walford which is set in the area.



Veldrome
Designed by Heikkin Architects and Gierk, the Veldrome will be used for the equestrian events and the equestrian venues for the 2012 Games.

Basketball Arena
Designed by Wilkinson Eyre Architects, the Basketball Arena will be used for the basketball, netball, tennis and the equestrian venues for the 2012 Games.

Five Avenues
Paralympic venue

Riverbank Arena
Built at an estimated cost of £16 million, the Riverbank Arena is a 10,000-seat arena for the 2012 Paralympic Games. The arena is also due to host the Paralympic hockey and wheelchair basketball competitions. The stadium will host the 2012 Paralympic Hockey Championships.

Copper Box
Designed by HOK architects and Populous, the Copper Box will be used for basketball, tennis and the equestrian venues for the 2012 Games. The arena will be used to host the Paralympic Games. When the Games are over, the arena will be converted to become a multi-sport arena for community use, with a focus on tennis and medium scale events.

Waterpolo Arena
The construction on this temporary venue began in 2011. During the Olympics, this venue will host both the men's and women's water polo competitions and also a men's water polo competition.

Aquatics Centre
Designed by Foster + Partners, the Aquatics Centre will host the swimming and diving events. The facility was built at a cost of over 200 million pounds and houses two 50-metre pools and a 25-metre diving pool.

Olympic stadium
Designed by Norman Foster, the Olympic Stadium will host the opening and closing ceremonies of the London Olympics. It is currently the third largest stadium in Britain, behind Wembley Stadium and Twickenham Stadium.

Out of London venues

- 1 Hampden Park**
Hampden Park, Scotland's national stadium, recently completed a £75 million renovation and is now ready to host the football matches. It is the home of the Scottish Football Club. It is the largest stadium in Scotland, with a capacity of 67,000 seats. It is the home of the Scottish Football Club. It is the largest stadium in Scotland, with a capacity of 67,000 seats.
- 2 St. James' Park**
St. James' Park is the home of Newcastle United FC and has hosted many exciting matches. It is the largest stadium in Newcastle, with a capacity of 25,000 seats. It is the home of the Newcastle United Football Club. It is the largest stadium in Newcastle, with a capacity of 25,000 seats.
- 3 Old Trafford**
One of the most famous football grounds in the world, the stadium is home to Manchester United Football Club. It is the largest stadium in Manchester, with a capacity of 75,000 seats. It is the home of the Manchester United Football Club. It is the largest stadium in Manchester, with a capacity of 75,000 seats.
- 4 City of Coventry Stadium**
This venue has received a variety of awards for its design, and is located within a multi-use sports complex. It is the largest stadium in Coventry, with a capacity of 25,000 seats. It is the home of the Coventry Football Club. It is the largest stadium in Coventry, with a capacity of 25,000 seats.
- 5 Lee Valley**
The Lee Valley White Water Centre will be the venue for the canoe slalom during the London 2012 Games. The venue is located in the Lee Valley, with a capacity of 10,000 seats. It is the home of the Lee Valley White Water Centre. It is the largest stadium in Lee Valley, with a capacity of 10,000 seats.
- 6 Moulton Pines**
A new temporary venue for the equestrian events has been created within the Moulton Pines in Devon. The venue is located in the Moulton Pines, with a capacity of 10,000 seats. It is the home of the Moulton Pines. It is the largest stadium in Moulton Pines, with a capacity of 10,000 seats.
- 7 Eton Dorney**
So far, 400 acres of land has been purchased near Windsor, Eton Dorney is the venue for the rowing and canoe slalom events during London 2012. The venue is located in Eton Dorney, with a capacity of 10,000 seats. It is the home of the Eton Dorney. It is the largest stadium in Eton Dorney, with a capacity of 10,000 seats.
- 8 Millers Lane**
The Millers Lane stadium was the home of the River Ganges, and is located in the heart of Cardiff, Wales. With a retractable roof, the stadium has hosted many top sporting events including the FA Cup Final and the Welsh Cup. It is the largest stadium in Cardiff, with a capacity of 25,000 seats. It is the home of the Cardiff City Football Club. It is the largest stadium in Cardiff, with a capacity of 25,000 seats.
- 9 Plymouth and Portland**
With some of the best natural sailing waters in the UK, Plymouth and Portland is the perfect venue for the Olympic sailing competition. It is the largest stadium in Plymouth and Portland, with a capacity of 10,000 seats. It is the home of the Plymouth and Portland. It is the largest stadium in Plymouth and Portland, with a capacity of 10,000 seats.

London's biggest problems. Transport

The London Underground – the oldest in the world (1860)

The renovation is needed



London's biggest problems. Transport

Congestion Tax introduced in 2003 – decrease in car traffic

Car journeys outnumber other means of transport (35%)

Congestion Charge

The Congestion Charge is a £15 daily charge if you drive within the Congestion Charge zone 7:00-18:00 Monday-Friday and 12:00-18:00 Sat-Sun and bank holidays. No charge between Christmas Day and New Year's Day bank Holiday (inclusive).

The easiest way to pay is by setting up Auto Pay. Exemptions and discounts are also available.

If your vehicle does not meet the [Ultra Low Emission Zone \(ULEZ\) standards](#), you must also [pay the ULEZ charge](#).



London's biggest problems. Transport

M25 Orbital Motorway

Second longest in Europe (after Berlin)

insufficient traffic capacity – traffic jams



London's biggest problems. Housing



Housing challenges in London

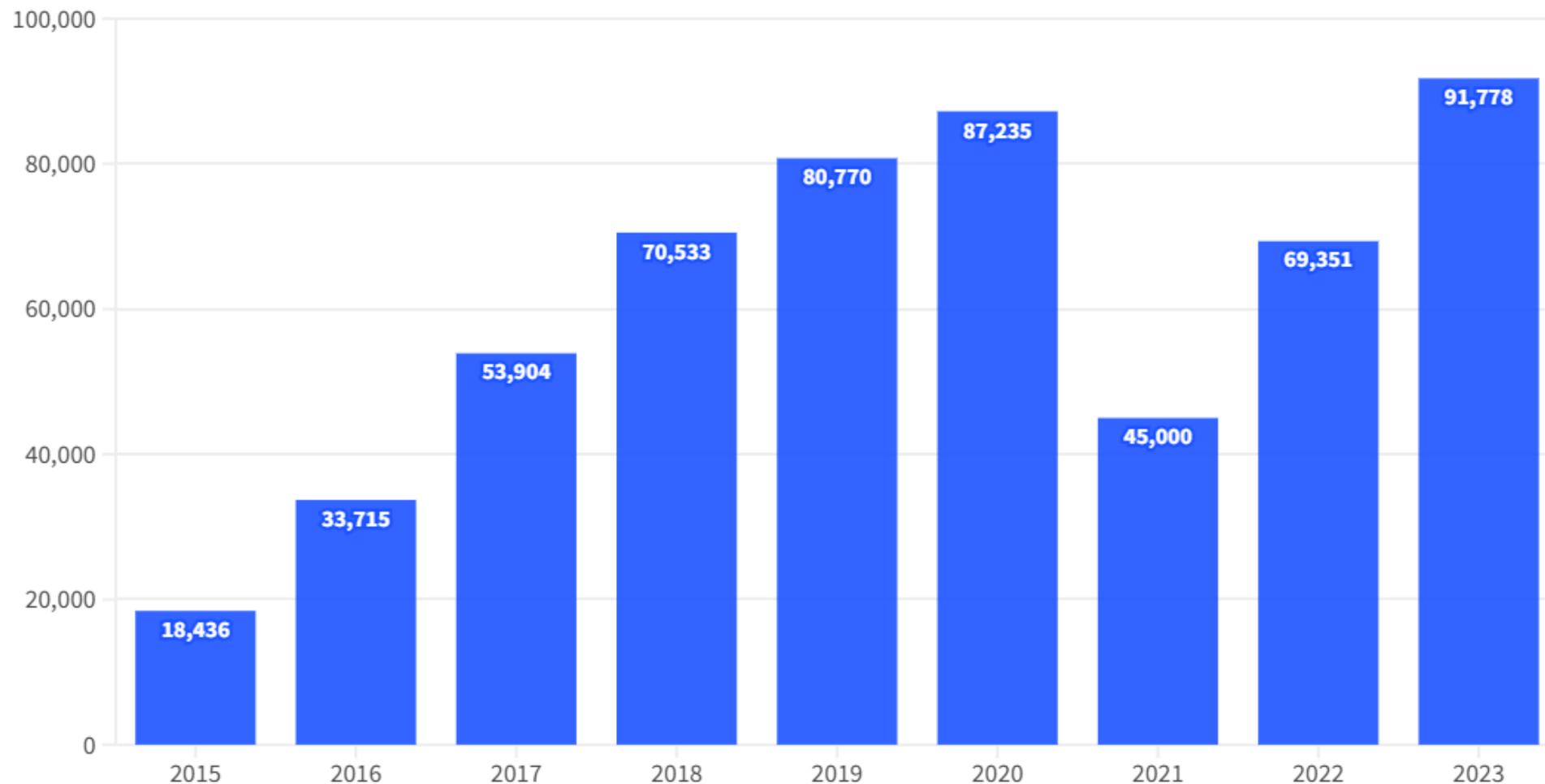
- A shrinking private rental market
- The homelessness crisis
- Urban Sprawl vs Compact City

Housing challenges in London

- Over **100,000 landlords** left the market since 2020 - driven by higher taxes, stricter regulations, and rising interest rates
- Private rental listings down by **20–30%** in many boroughs - fewer available homes despite growing tenant demand
- Average London rent hit a record **£2,200+/month (2024)** - renters facing intense competition

There are over 91,000 Airbnb listings in London

Airbnb listings in London, 2015-2023



Source:  **Finder**